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**FORMER DEA ASSOCIATE SPECIAL AGENT IN CHARGE PLEADS
GUILTY TO EMBEZZLEMENT, MISUSE OF DEA RESOURCES**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, and GLENN A. FINE, Inspector General for the United States Department of Justice, announced that KEVIN M. TAMEZ, who has served as Associate Special Agent in Charge of the New York Division of the Drug Enforcement Administration ("DEA"), pled guilty today before United States District Judge DENNY CHIN to embezzling approximately \$138,488 from the DEA and with misusing DEA personnel and resources to conduct work for a private investigations firm called MPM Group, Inc. ("MPM") for which TAMEZ worked.

According to the Indictment and the Superseding Information, TAMEZ became the Assistant Special Agent ("Assistant SAC") in Charge of DEA's New York Division in September 1999 and was promoted in January 2002 to the position of Associate Special Agent in Charge ("Associate SAC") of Operational Support of the

New York Division. As Associate SAC, TAMEZ became responsible for, among other things, the financial management of the New York Division. TAMEZ held the position of Associate SAC until about February 24, 2003, when he was suspended without pay. He later resigned from the DEA on October 17, 2003.

A. Embezzlement

The Superseding Information charges that, from December 1999 through February 2003, TAMEZ embezzled approximately \$138,488.24 from the DEA through the submission of false paperwork to the DEA cashier. According to the Superseding Information, a DEA Form 12, entitled "Receipt for Cash or Other Items," is ordinarily used by DEA employees to obtain cash from the DEA cashier for official expenses. A Standard Form 1164 ("Form 1164") is ordinarily used by Government employees, including DEA employees, to claim reimbursement for expenditures on official business. According to the Superseding Information, TAMEZ embezzled money through three methods.

First, TAMEZ allegedly directed DEA Special Agents to submit DEA Form 12's to the DEA cashier and to give him the cash, explaining that the cash was needed for DEA-related expenditures. TAMEZ then directed the DEA Special Agents to sign corresponding Form 1164's as claims for reimbursement for these expenditures on official business. Second, TAMEZ is accused of directing DEA Special Agents to submit DEA Form 12's to the cashier and to buy U.S. Postal Service money orders for him, explaining that the

money orders were needed for DEA-related expenditures. TAMEZ then directed the DEA Special Agents to submit corresponding Form 1164's as claims for reimbursement for these expenditures on official business. Third, TAMEZ allegedly submitted DEA Form 12's himself to the cashier and withdrew the cash. TAMEZ then submitted corresponding Form 1164's as claims for reimbursement for expenditures on official business.

According to the Superseding Information, money orders bought by the Special Agents or by TAMEZ in this embezzlement scheme were made payable to TAMEZ and to members of TAMEZ's family, among others. In addition, money orders bought with embezzled money were used to pay a variety of TAMEZ's personal expenses, including his personal credit card bills, to lease a Chevy Suburban, to buy men's suits and to repair a hot tub at TAMEZ's residence.

B. Computer Fraud And Theft Of Honest Services

The Superseding Information also charges TAMEZ with illegally obtaining information from law enforcement computer systems and databases and with illegally using DEA personnel and resources to benefit himself, a person not named in the Superseding Information ("CC-1") and MPM, a private investigations firm that was ostensibly operated under CC-1's maiden name. TAMEZ did work for MPM under the aliases "Kenneth

P. Thomas," "James Fox," "Jim Fox," "John Bettinger," and "John DiGravio," among others, without obtaining the requisite approvals from DEA. MPM's clients included law firms, companies and private individuals.

Most of MPM's clients paid MPM to conduct background investigations on individuals, including but not limited to criminal history checks. These client payments were deposited into MPM's bank account, of which CC-1 was the sole signatory. CC-1, using her maiden name, thereafter wrote checks from MPM's bank account to herself under her married name and deposited many of those checks into bank accounts held jointly with TAMEZ. In addition, CC-1 caused monies to be wired from MPM's bank account to herself and/or to TAMEZ.

According to the Superseding Information, as a DEA Special Agent, TAMEZ was authorized to access a variety of law enforcement computer systems and databases, but only for official DEA purposes related to his official duties. The Superseding Information charges that, from January 2000 through November 2002, TAMEZ illegally queried such computer systems and databases for information relating to investigations that had been commissioned by MPM's clients.

In addition, according to the Superseding Information, TAMEZ directed DEA Special Agents and other employees to conduct

a variety of ostensibly legitimate investigative work, which, instead, related to MPM. TAMEZ directed that DEA Special Agents in the New York Division conduct surveillances and "trash runs" - an investigative technique commonly used by law enforcement agents to search the trash of targets to develop leads as to the target's activities or the target's associates - explaining that the surveillances and "trash runs" were for law enforcement purposes. It is also alleged that TAMEZ requested that DEA Special Agents in DEA's Baltimore, Salt Lake City and Raleigh Offices conduct surveillances on MPM targets and that a DEA Special Agent in the Atlantic City Office research certain criminal history, explaining to officials at other DEA offices that the work was law enforcement-related. Finally, TAMEZ directed DEA employees to serve DEA administrative subpoenas -- which are supposed to be used only for narcotics-related investigations -- to get information from telephone companies and Internet providers relevant to MPM's investigations.

According to court papers, TAMEZ and his wife, Nancy O. Tamez, agreed not to contest the forfeiture of their residence, TAMEZ's federal retirement account and TAMEZ's unpaid compensation in connection with his former employment with the DEA. According to court papers, Mrs. Tamez has six months in

which to sell the residence herself, and the defendant and his wife have the option of making a lump sum restitution payment to the Government within six months in lieu of the Government's taking possession of the residence.

TAMEZ, 50, lives in Mt. Laurel, New Jersey.

TAMEZ faces a maximum penalty of 20 years in prison for mail fraud and for each of the wire fraud counts charging offenses after July 30, 2002; 10 years in prison for the embezzlement count; and 5 years in prison for the computer fraud count and the wire fraud counts charging offenses before July 30, 2002. TAMEZ also faces a fine of \$250,000 or twice the gross gain or loss on each count of the Indictment.

TAMEZ is scheduled to be sentenced by Judge CHIN on August 23, 2004.

Assistant United States Attorney SERENE K. NAKANO is in charge of the prosecution. Special Agents from the Office of the Inspector General's New York Field Office led the investigation.

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